

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 552 - SB 568**

April 1, 2017

**SUMMARY OF BILL:** Authorizes municipalities to annex non-contiguous territory pursuant to Tenn. Code Ann. § 6-51-104.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – To the extent non-contiguous territory is annexed, shifts in revenue and expenditures between local entities may occur. Any changes or shifts would result from permissive actions of local government. The extent and timing of any such shifts cannot be reasonably quantified.**

Assumptions:

- Pursuant to Tenn. Code Ann. § 6-51-104(d)(1), a municipality is authorized by resolution to propose the annexation of non-contiguous territory if such territory is within the municipality's urban growth boundary and is used for industrial or commercial purpose or future residential development; or owned by one or more government entities.
- Under current law, pursuant to Tenn. Code Ann. § 6-51-104(d)(5), only municipalities in Williamson County have the ability to annex non-contiguous territory. Removing this provision effectively authorizes all municipalities to annex non-contiguous territory.
- Any action taken by a municipality to annex non-contiguous territory pursuant to § 6-51-104(d) is permissive.
- In instances where non-contiguous municipal territory is annexed, there will be a shift in the responsibility of the provision of certain services from the county to the municipality. The cost associated with the provision of services is dependent on the current services provided to current municipal residents, the timing of any such annexation, and the number and location of annexed properties. In addition, there may be a shift in revenue from the county to the municipality. Any changes or shifts would result from permissive actions of local government. Any fiscal impact resulting from a municipal annexation of non-contiguous cannot be reasonably quantified.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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